

RESOLUTION GRANTING THIRD ROUND SUBSTANTIVE CERTIFICATION #4-09

North Hanover Township, Burlington County

WHEREAS, North Hanover Township (“North Hanover” or “Township”), Burlington County, received from the Council on Affordable Housing (“COAH”) second round substantive certification of its Housing Element and Fair Share Plan on April, 7, 1999; and

WHEREAS, North Hanover petitioned COAH on December 30, 2008 for substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation; and

WHEREAS, pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:96-3.5, North Hanover Township published notice of its petition on February 12, 2009 in the Burlington County Times, which is a newspaper of general circulation within the county; and

WHEREAS, no objections to the plan were received by COAH during the 45-day objection period, which ended March 29, 2009; and

WHEREAS, North Hanover Township’s fair share plan addresses a total 1987-2018 affordable housing obligation of 38 units, consisting of a 16-unit rehabilitation share, a one unit prior round obligation and a 21-unit projected growth share obligation; and

WHEREAS, COAH staff has reviewed the Township’s Housing Element and Fair Share Plan; and

WHEREAS, North Hanover Township proposes to address its 16-unit rehabilitation share with two rehabilitation credits and 14 new construction credits, and

WHEREAS, the Township proposes to address its one-unit prior round obligation with one credit from Millstream North Apartments; and

WHEREAS, North Hanover proposes to address its 21-unit projected growth share obligation with 21 credits from Millstream North Apartments; and

WHEREAS, pursuant to N.J.A.C. 5:96-6.2(a)2, on April 23, 2009, COAH issued a Compliance Report (attached as Exhibit A and incorporated by reference herein) recommending approval of North Hanover Township’s petition for third round substantive certification; and

WHEREAS, there was a 14-day period to submit comments to the COAH Compliance Report pursuant to N.J.A.C. 5:96-6.2(b) and COAH received no comments.

NOW THEREFORE BE IT RESOLVED that the Housing Element and Fair Share Plan submitted by North Hanover Township comports to the standards set forth at N.J.S.A. 52:27D-314 and meets the criteria for third round substantive certification pursuant to N.J.A.C. 5:96-6.3; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.2(a), after having reviewed and considered all of the above, COAH hereby grants third round substantive certification to North Hanover Township; and

BE IT FURTHER RESOLVED that after receiving final substantive certification, pursuant to N.J.A.C. 5:96-6.3(e), North Hanover Township shall adopt all implementing Fair Share Ordinances within 45 days of this grant of substantive certification; and

BE IT FURTHER RESOLVED that if North Hanover Township fails to timely adopt its Fair Share Ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and

BE IT FURTHER RESOLVED that North Hanover shall submit all Fair Share Ordinances to COAH upon adoption; and

BE IT FURTHER RESOLVED that North Hanover shall comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting North Hanover's actual growth pursuant to N.J.A.C. 5:97-2.5; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of North Hanover's Housing Element and Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in North Hanover and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or

greater, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(b), North Hanover's substantive certification shall remain in effect until December 30, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this substantive certification is based or any deviations from the terms and conditions of this substantive certification which affect the ability of North Hanover Township to provide for the realistic opportunity of its fair share of low and moderate income housing and which the Township fails to remedy, may render this certification null and void.

I hereby certify that this resolution was
duly adopted by the Council on Affordable
Housing at its public meeting on May 14, 2009

A handwritten signature in black ink, reading "Renee Reiss". The signature is fluid and cursive, with the first name "Renee" and last name "Reiss" clearly distinguishable.

Renee Reiss, Secretary
Council on Affordable Housing



***Council on Affordable Housing
Compliance Report
April 23, 2009***



Municipality: North Hanover Township
County: Burlington County

COAH Region: # 5

Planning Area: PA4

Special Resource Area: Pinelands

Housing Element and Fair Share Plan Adopted: December 17, 2008

Petition for 3rd Round Substantive Certification: December 30, 2008

Completeness Determination: February 10, 2009

Date of Publication: February 12, 2009 (Burlington County Times)

Objections Received: No

Petition Includes:

VLA: No

GPA: No

Waiver: No

Section: N/A

Date of Site Visit: N/A

History of Approvals:

	COAH	JOC	N/A
First Round:			X
Second Round:	4/07/99		
Extended Certification:			X

Plan Preparer: David Gerken, PP/AICP

Municipal Housing Liaison: Sue Minnock

Recommendation: Grant Substantive Certification

SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	16
Prior Round Obligation	1
Projected Growth Share Obligation (Net)	21

ACTUAL GROWTH and GROWTH SHARE through September 2008¹

Res Units (#)	Actual Res Growth Share	Jobs (#)	Actual Non-Res Growth Share	Actual TOTAL Growth Share
68	14 units	137	9 units	23 units

COMPLIANCE PLAN SUMMARY

Obligation	Credit/ Mechanism Type	# Units Completed	# Units Proposed	TOTAL
Rehabilitation: 16 units				
Credits	Post-April 1, 2000	2		2
	New Construction Credits	14		14
Rehabilitation Subtotal				16
NEW CONSTRUCTION:				
Prior Round: 1 unit				
Credits	Prior Cycle	1		1
Prior Round Subtotal				1
Growth Share: 21 units				
Credits	Prior Cycle	113		113
Growth Share Subtotal				113
Surplus				92

I. HOUSING ELEMENT

Pursuant to N.J.S.A. 40:55D-28(b), the Housing Element and Fair Share Plan is a required section of the Municipal Master Plan. The Housing Element must be designed

¹ This growth share number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics, a quantification of low- and moderate-income housing need, and a consideration of the lands within the municipality that are most appropriate to accommodate such housing. North Hanover's Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to N.J.S.A. 52:27D-310.

Under N.J.A.C. 5:97-2.1(b), the Housing Element must also set forth the municipality's fair share obligation, which is the sum of the rehabilitation share, the prior round obligation, and the growth share.

A. Rehabilitation Share

The rehabilitation share is the number of existing housing units within a municipality as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of N.J.A.C. 5:97, North Hanover has a rehabilitation share of 16 units.

B. Prior Round Obligation

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of N.J.A.C. 5:97. North Hanover has a prior round obligation of one unit.

C. Projected Growth Share

The projected growth share is initially calculated based on household (residential) and employment (non-residential) 2004-2018 projections. Pursuant to Appendix F of N.J.A.C. 5:97, North Hanover has a residential projection of 62 units being developed and a non-residential projection of 142 jobs being created, which results in an initial projected growth share obligation of 21 affordable units. North Hanover's total projected growth share for the period 1999-2018 is 21 affordable units consisting of a 12.4-unit

projected residential growth share and an 8.9-unit projected non-residential growth share.²

SUMMARY OF FAIR SHARE OBLIGATION

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Prior Round Obligation	1
Projected Growth Share Obligation (Net)	21

II. FAIR SHARE PLAN

A Fair Share Plan, as required under N.J.A.C. 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality's rehabilitation share, prior round obligation and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

North Hanover's Fair Share Plan and the supporting documentation incorporated by reference therein address the requirements of N.J.A.C. 5:97-3.1 as follows:

A. Plan to Address Rehabilitation Share

Rehabilitation Share Credits

North Hanover is requesting credit for two units rehabilitated subsequent to April 1, 2000. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11. The Township will utilize new construction credits from one of the three affordable apartment complexes to satisfy the remaining rehabilitation occupation.

² Pursuant to N.J.A.C. 5:97-2.2(d), North Hanover's residential projection of 62 is divided by 5 to yield 12.4 units and the nonresidential projection of 142 jobs is divided by 16 to yield 8.9 units. North Hanover's total projected growth share is therefore 21 units (res 12.4 + non-res 8.9)

COAH regulations permit the use of new construction units (N.J.A.C. 5:97-4.3) to address the rehabilitation obligation.

Rehabilitation Credits

Rehabilitation Program	# Credits
Burlington County Rehabilitation Program	2
New Construction Credits (Millstream North)	14
TOTAL	16

B. Plan to Address Prior Round Obligation

Prior Round Obligation Credits

North Hanover is addressing its one-unit prior round obligation with one prior cycle credit from the Millstream North Apartments. This 48-unit 100% affordable rental complex was constructed in 1986 under the Rural Housing Section 515 program (formerly Farmer's Home Administration). This complex, as well as the 40-unit Millstream South Apartments and the 40-unit Maplewood Apartments, were included in North Hanover's second round Fair Share Plan which received substantive certification on April 7, 1999. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

Prior Cycle Credits

Project/Development Name	Year Built	Type of Affordable Unit	# Units/ Bedrooms
Millstream North	1986	Family rental	1
TOTAL			1

Proposed Affordable Housing Mechanisms

North Hanover is relying on credits and therefore is not proposing any additional affordable housing mechanisms to address its prior round obligation.

Prior Round Obligation Parameters

North Hanover has used no age-restricted units, Regional Contribution Agreements or rental bonuses in addressing its Prior Round obligation. The Township also has no rental obligation.

C. Plan to Address Projected Growth Share

Growth Share Obligation Credits

North Hanover is addressing its entire 21-unit projected growth share obligation with 113 units of credit. The credits come from three rental complexes constructed in the 1980's under the Farmer's Home Administration Rental Housing Section 515 Program. Affordability controls for all three complexes extend beyond the end of the third round. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

Prior Cycle Credits

Project/Development Name	Year Built	Type of Affordable Unit	# Units/ Bedrooms
Millstream North	1986	Family rental	33
Millstream South	1982	Family rental	40
Maplewood Apts.	1985	Family rental	40
TOTALS			113

Proposed Affordable Housing Mechanisms

North Hanover is relying on credits and therefore is not proposing any additional affordable housing mechanisms.

Growth Share Parameters

North Hanover has satisfied the applicable Growth Share parameters as follows:

Growth Share Rental Obligation:³ 5 Units

Development/Project Name	Type of Affordable Unit	# Units
Millstream North	Family rental	33
Millstream South	Family rental	40
Maplewood Apts.	Family rental	40
TOTAL		113

Growth Share Family Rental Requirement⁴ : 3 Units

Development/Project Name	Type of Affordable Unit	# Units
Millstream North	Family rental	33
Millstream South	Family rental	40
Maplewood Apts.	Family rental	40
TOTAL		113

³ Projected Growth Share Rental Obligation: $.25(\text{Projected Growth Share})$ or $.25(21) = 5$ units N.J.A.C. 5:97-3.10(b)3

⁴ Projected Growth Share Family Rental Requirement: $.5(\text{Projected Growth Share Rental Requirement})$ or $.5(5) = 3$ units N.J.A.C. 5:97-3.4(b)

Growth Share Minimum Family Requirement⁵ : 11 Units

Development/Project Name	Type of Affordable Unit	# Units
Millstream North	Family rental	33
Millstream South	Family rental	40
Maplewood Apts.	Family rental	40
TOTAL		113

Pursuant to N.J.A.C. 5:97-3.6(a)3i, growth share rental bonuses may only be granted for units created and occupied after June 6, 1999. Since the three complexes were all completed in the 1980's, they are not eligible for rental bonuses. In addition, since all units were completed prior to July 17, 2008, North Hanover does not have a very low-income requirement.

Actual Growth Share Obligation

The actual growth share obligation will be based on permanent certificates of occupancy issued within the municipality for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of N.J.A.C. 5:97. At plan evaluation review pursuant to N.J.A.C. 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs (NJ DCA) *Construction Reporter* indicates that between January 1, 2004 and September 2008, North Hanover issued certificates of occupancy for 68 housing units and for the nonresidential square footage equivalent of 137 jobs, yielding an actual growth share obligation through September 30, 2008 of 23 affordable units.⁶

⁵ Projected Growth Share Family Requirement: .5(Units Addressing the Growth Share Obligation) or .5(21)= 11 units N.J.A.C. 5:97-3.9

⁶ The number of residential COs (68) is initially divided by 5 to yield 14 units and the number of jobs (137) is initially divided by 16 to yield 9 units. North Hanover's total actual growth share is therefore 23 units

D. Summary of Plan to Address Fair Share Obligation

REHABILITATION SHARE SUMMARY

Rehabilitation Share: 16 Units

Program Name	# Units
Post-April 1, 2000	2
New Construction Credits—Millstream North	14
TOTAL	16

PRIOR ROUND SUMMARY

Prior Round Obligation: 1 Unit

	Name of Mechanism	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Prior Cycle Credits	Millstream North	1			1
TOTAL					1
Surplus/Shortfall					0

(res 14 + non-res 9). **Note:** This number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

GROWTH SHARE SUMMARY
Projected Growth Share Obligation: 21 Units

	Name of Mechanism	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Prior Cycle Credits	Millstream North	33			33
	Millstream South	40			40
	Maplewood Apts.	40			40
Subtotal		113			
TOTAL					113
Surplus					92

III. FAIR SHARE DOCUMENT REVIEW

A. Development Fee Ordinance

North Hanover submitted an amended development fee ordinance for COAH's review and approval with its third round petition. The amended development fee ordinance was approved on March 26, 2009.

B. Third Round Spending Plan

A third round spending plan was submitted by North Hanover with the Township's third round petition for COAH's review and approval. The spending plan will be reviewed by COAH in a separate report.

C. Affordable Housing Ordinance/Affordable Housing Administration

North Hanover has submitted a draft affordable housing ordinance that comports with the requirements of the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et seq., which was amended on December 20, 2004. The draft proposed ordinance includes compliance with the barrier free subcode of the State Uniform Construction Code Act (N.J.S.A. 52:27D-119 et seq.) and the accessibility requirements

of N.J.S.A. 52:27D-123.15. The draft ordinance must be adopted within 45 days of COAH's grant of substantive certification and submitted to COAH immediately upon adoption.

An ordinance establishing the position of a municipal housing liaison and a resolution appointing a municipal housing liaison were adopted by North Hanover on February 26, 2009.

North Hanover is responsible for the continued re-sale and re-rental of existing affordable units as well as the initial sale and rental of affordable units within the Township and must identify an experienced administrative entity for that purpose by contract, agreement or letter. GND Management currently administers the existing affordable rental units in accordance with the requirements of the USDA Farmer's Home Administration Rental Housing Section 515 Program. North Hanover must submit a contract with GND Management or another entity acceptable to COAH as its administrative entity for all affordable units.

North Hanover has been furnished with suggested operating manuals for rental units and for the rehabilitation program. Pursuant to N.J.A.C. 5:80-26.14(b), North Hanover must acknowledge that the Township will follow the procedures in these or Township-developed alternative manuals for administering affordable units within the Township.

D. Affirmative Marketing Plan

North Hanover has submitted an affirmative marketing plan that comports with the requirements of the UHAC and ensures the units in the North Hanover's 1987-2018 Fair Share Plan and all future affordable housing units will be affirmatively marketed to the region upon initial sale/rental and re-sale/re-rental. Once approved by COAH, the affirmative marketing plan must be adopted by resolution by North Hanover within 45 days of COAH's grant of substantive certification and submitted to COAH.

IV. MONITORING

North Hanover must comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the Township's actual growth pursuant to N.J.A.C. 5:97-2.5. Pursuant to N.J.A.C. 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of North Hanover's Housing Element and Fair Share Plan. The purpose of the plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in North Hanover and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in North Hanover and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or greater, the Council may direct North Hanover to amend its plan to address the shortage.

COAH staff notes that North Hanover's actual growth share obligation to-date of 22 units exceeds the Township's projected growth share of 21 units. This measure of actual growth does not include any reductions that may be available to North Hanover through exclusions pursuant to N.J.A.C. 5:97-2.4(a) 1. North Hanover's Fair Share Plan provides for 113 affordable units to meet its projected growth share obligation of 21 units. Pursuant to N.J.A.C. 5:97-2.5, North Hanover is required to provide affordable housing in direct proportion to the growth share obligation generated by the actual growth, which shall be monitored at its biennial review. At that time, North Hanover shall demonstrate that it has provided sufficient affordable units to keep pace with its actual growth.

IV. RECOMMENDATION

COAH staff recommends that North Hanover be granted third round substantive certification. North Hanover must adopt all necessary implementing ordinances within 45

days of the grant of substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption.